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L1 DDCI

L2 Grand Junction, Colorado

L1 Bookcliff Knife and Fork Club

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Thank you very much. Sam, after that obituary this better be good.

L3 Mr. Chairman, Mr. Aspinall, Mrs. Aspinall, members of the Club and friends of western Colorado. When this great man sitting at my left, Congressman Aspinall suggested to me last summer that I ought to get out ^{into} ~~of~~ the hustings and talk a little about the state of intelligence, he heard me make the same speech in Snowmass last summer, I didn't need to be invited twice. As you can tell, my roommate Angie comes from Craig, my two sons live there, John with his new bride, Brenda, and to me, Grand Junction, means beauty, means friendship, it means a garden spot and any time I can get away from Washington to get to any one of those things I'm going to make haste. So I'm glad to be here with you tonight.

Until recently very little has been said publicly and not much has been known by the American people about their intelligence agencies. Unfortunately, when most people think of intelligence and the CIA, they tend to think of glamorous fictional characters such as James Bond -- with lots of blondes, exotic foreign assignments and messages passed in the dark of night. We've seen flashy headlines and sensationalized stories about CIA in the newspapers -- many of them taken completely out of context and blown all out of proportion.

Total secrecy and silence have been the traditions of our intelligence work over the years. A year ago I would not have been here tonight making a talk on this particular subject. But the new

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watchword of American intelligence is accountability -- to ourselves, to the Executive Department and the President, to the Congress, and through the Congress to the American people. By accountability I do not mean the willy-nilly disclosure of important intelligence secrets. What I am talking about is the awareness in Washington and across this country that intelligence activities are essential to preserve our way of life. But those of us who carry out intelligence activities must take care to ensure that we operate within the bounds of the law and propriety...and, that we are able to demonstrate to ourselves, to the President, to the Congress, and to you that this is so.

And so, traditions change -- and today we in intelligence want the American people to understand what intelligence is and what intelligence is not, and to understand its vital role in ensuring our nation's security. So tonight I would like to talk with you about the real world of intelligence, and the role CIA plays in supporting the policymakers of our Government.

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My own career in intelligence exemplifies to some extent what it's like to be involved in the modern intelligence world. Sam has gone through it pretty well. Let me bore you with just a slight brief repetition of it. When the President last year named me to this post of Deputy Director of Central Intelligence, I had served in CIA for 23 years.

Most of my service was deep within the organization, but as

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an assistant to Director William Colby I gained valuable insight into the Agency's relationship with our Congress, since that duty with Colby linked me to the various inquiries into CIA beginning in 1975.

In another recent assignment, I served as Director George Bush's Associate Deputy for the Intelligence Community, helping to coordinate the work of all of the Government's intelligence components, including those in the military, the State Department and the CIA.

So, I come to you tonight not only as an enthusiastic intelligence officer, proud of my trade, proud of my profession but also as one who has had the advantage of seeing up close the many different aspects of the business of intelligence.

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Now, I've regaled you with my credentials but don't let me snow you. Humility is not necessarily a trait that goes with government bureaucrats. I hope humility is something that I can adopt and keep front and center. (Joke)

In the world of today -- and that of tomorrow -- our country cannot afford to be blind or deaf to the preparations of potential enemies. Our Government needs solid facts and judgments on which to base policies and plans if it is to remain strong and free. And make no mistake about it: every nation on this planet, whether strong or not, whether free or not, uses intelligence information to improve its position.

And it has always been so. Ever since the earliest days,

societies have survived through more than armed might. They have survived through intelligence and knowledge. The Bible says: "...the Lord spoke unto Moses saying, 'send thou men that they may search the land of Canaan...(to) see the land, what it is, and the people that dwelleth therein; whether they be strong or weak, few or many'..."

Joshua later sent two men to spy secretly in Jericho. They were hidden in the house of Rahab the Harlot. In the best tradition, Rahab protected the spies, misled the King of Jericho as to their whereabouts, and allowed them to complete their mission without ever once revealing their names. Which, incidentally, ladies and gentlemen, makes intelligence the second oldest profession in the world.

The United States has carried on foreign intelligence activities since the days of George Washington, Ben Franklin and Thomas Jefferson, who along with others of our forefathers, conducted intelligence operations against the British. During the Revolutionary War, George Washington, in particular had a deep understanding of the importance of intelligence information. In a letter written 200 years ago to Col. Elias Dayton who was Washington's intelligence chief in New Jersey, Washington wrote and requested immediate information on the status and numbers of British forces in New Jersey. And Washington added this paragraph in this letter. "The necessity of procuring good intelligence is apparent and need not be further urged. All

that remains for me to add is that you keep the whole matter as secret as possible for upon secrecy success depends in most enterprises of this kind and for want of it, they're generally defeated.

Well, what is intelligence? Sure it's a collection of facts. It can be a single report from a secret agent in some far off land. It can be a nugget of information from an encyclopedia. It can be a line in Pravda from Moscow. Any or all these are part of intelligence. But there is a major part which gets little publicity. And that is the unsung part played by evaluation or analysis -- by studious and informed intelligence professionals -- putting together a great many pieces of information into a broad understanding of a foreign situation.

Our CIA analysts gather as many facts as they can get from open, unclassified sources, newspapers, magazines, technical journals and from secret information we collect abroad. The analysts fit the pieces together to form a base of knowledge about a foreign situation and from that base of knowledge they draw inferences on prospects for trouble breaking out affecting American interests. We call these inferences intelligence judgments or assessments. They are produced objectively without fear or favor. They are not altered to suit Government policy. We call situations as we see them, regardless of whether our political leaders will find the judgments to be good news or bad, happy or sad. And I say to you tonight as one who is personally and actively involved in another

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feature of the American scene -- the passage of power from one administration to another ("The Transition"), so-called. In CIA, we will have the leadership of a new Director, Mr. Ted Sorensen, and we will serve patriotically, professionally, and without political bias the new Carter Administration, just as we have those of the past, be they Democrat or Republican.

Who are the people in CIA who make these difficult and important judgments or assessments? They are social scientists, historians, experts in international relations, economists, engineers, linguists, mathematicians, specialists in the physical and life sciences -- people from a variety of disciplines, who have chosen to make a career in Government, specifically in intelligence analysis work.

In CIA we can staff a small university from our corps of analysts. Thirty percent of our specialists have Doctorate degrees. Fifty percent of our professional applicants selected for employment last year had graduate degrees. Among Bachelor Degree holders, cum laude and magna cum laude awards are common.

To support this analytical effort, we have a library whose catalogue includes 81,000 titles, all incidentally non-fiction! At least we hope they are. We add an average of 4,200 new volumes to our library every year. The library subscribes to 1,600 newspapers and periodicals, covering a vast array of technical fields, and printed in a variety of languages. CIA employees can read or

converse with ease in 46 different languages. We have instructors in 22 languages on our payroll, and we send our employees to other Government and private institutions to learn the rest.

So, to a great extent, CIA is like a university, a community of scholars and specialists, studying past, current and future problems and reaching their conclusions. We try to know all that can be known, learned or deduced about impending foreign developments that will affect this country. This is a process which requires personnel of the greatest scholarship, dedication and integrity. Maybe one doesn't normally associate scholars with soldiers, but both are surely necessary to defend this country and keep it safe.

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How did we get to the Central Intelligence Agency of today? It was Pearl Harbor that dramatically focused American attention on the need for a unified national intelligence service. Before World War II, we had what could be called departmental intelligence. The War Department had military intelligence, the Navy Department its naval intelligence, and the Department of State produced, in effect, diplomatic intelligence. But, as the kids of today would say, no one was "getting it all together."

After the War it was clear the United States was going to continue to need information and intelligence on foreign developments, and that a central organization was needed to ensure that we

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were never again caught by surprise as at Pearl Harbor. So President Truman signed into law the National Security Act of 1947, (you were on the scene then, Mr. Congressman) creating the CIA to correlate and analyze all of the Government's information concerning foreign developments. In short, Truman wanted an Agency that could put the pieces and the information together and tell him what was going on. So, he set up the CIA. It was that simple.

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All of you, I am sure, are aware of the battering the CIA has taken beginning in 1975 and continuing through the early part of last year. We were charged with nearly every offense imaginable, from "massive" domestic spying to being unable to warn our nation of impending attack.

If you can imagine it, some individuals even made headlines by claiming first-hand knowledge that the CIA once captured three beings from outer space who had come to earth on a peaceful mission. And, we weren't in favor of peace so we captured them, put them in a freezer to make them talk -- and they died instead. Another claim to make headlines at those times was that we had found and pilfered the remains of Noah's Ark on a mountainside in Turkey and that we had brought the artifacts ~~back~~ to the basement of our headquarters in the Virginia country side where they reside to this day.

All too often only the accusations and the allegations make the headlines. The denial and the truth of the matter never seem

to be heard. After all, someone's claim that we captured three beings from outer space or that we found Noah's Ark may make a good story. But how many readers would really be fascinated by the fact that we did not do either one of those things. It's something like a report that the Second National Bank was not robbed today.

I hope that the American people never come to believe unfounded allegations simply because they have appeared in print or because they have been repeated so often. That sort of technique works in closed societies but it can't be allowed to happen here.

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I may be biased -- being a long-time CIA professional. But I want you good people to know and share my pride in the men and women of CIA who -- through^{out} the battering -- never flagged in their dedication and professionalism. The President and his advisors throughout continued to be well-served by CIA information and judgments pertaining to the international scene.

Sure, it was not pleasant as a CIA officer to sit before the family television or at the breakfast table with the morning paper -- seeing one's children troubled by charges levied against us, thinking that somehow their father or mother was engaged in a nefarious activity.

But there is mettle and back-bone to these people and their families. And I can tell you tonight that our professionalism,

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our dedication, and our patriotism were not diminished by the ordeal. The CIA is not a broken outfit. It is alive and well and serving all of you to the best of its ability.

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Some responsible people have said that the old ways of secrecy were used simply to cover abuses. Let me make this statement loud and clear: we do not condone abuses. We will not call upon secrecy to hide failures or wrongs of the past. As a matter of fact, it was we in CIA who uncovered the questionable activities of the past. And we made internal corrections three years ago -- long before the investigations got under way.

More recently, the President and Director Bush have issued new and clear guidelines to ensure the legality and propriety of our intelligence activities. I want you to know that CIA is a disciplined, loyal and responsive Agency and those guidelines will be honored.

Meanwhile, the Senate Select Committee on Intelligence -- the so-called Church Committee -- a year ago finished its work and issued its recommendations. Some say that last year's Senate and House reviews of intelligence imparted to the world more information about American intelligence that is healthy or helpful.

But I am not here to criticize or complain. CIA is almost 30 years old. Any bureaucratic organization needs a special look and some reforms after such a length of time. In the main, the Presidential and Congressional reviews have reflected the American

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system at work, and we in CIA are no doubt the better for it. One positive thing I can share with you and I feel strongly about this because I see it up close every day, is the effective work being done by the new Senate Select Committee on Intelligence under Chairman Danny Inouye, the Senator from Hawaii. A Senator from your great state -- Gary Hart -- is a member of that Committee. And working together, CIA and this Senate Committee are doing much to develop a constructive understanding of the nature of intelligence and the controls that are necessary in this very delicate area.

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America's intelligence service must be responsible. But America's treatment of that service and its necessary secrets must also be responsible. Senseless exposure of true intelligence secrets can cause great damage.

It is time for you as Americans to ask yourselves whether it is in your interests -- America's interests -- to expose intelligence secrets and activities that are valid -- even critically important -- and that have nothing to do whatsoever with "abuses."

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Let me try to explain briefly why secrecy is so important in intelligence work. To get information about the state of the world abroad, we rely heavily on open, unclassified information -- newspapers, magazines, journals, books, radio, television. But this doesn't give us all we need to know about foreign capabilities and intentions. We've got to use clandestine, secret means to try to

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collect foreign secrets. And we rely increasingly on secret advanced technology to help us get the information we require.

In the intelligence profession and in the ^{at} law, these are known as intelligence sources and methods. If our sources and methods are revealed, our adversaries can take steps to keep us from getting the information we need. This has nothing to do with keeping the American public in the dark, a charge often made by our critics. It is ~~a simple~~ ^{simply a} matter of protecting our ability to get information. It's a responsibility recognized in law, the Act of 1947 which created the CIA and charged the Director with the responsibility of protecting intelligence sources and methods from disclosure.

True, the revelation in the morning paper of intelligence secrets makes exciting reading. But most American readers will soon forget what the story was all about. Will our adversaries forget? I assure you they will not. As a result, enormously complex and expensive technical intelligence collection systems can be countered and our sources made to dry up. Dedicated and courageous men and women who risk their lives in the service of their country seeking vital information abroad can be exposed and destroyed.

I don't think the American people want this to happen: especially when our adversaries, dedicated to the proposition that we eventually must be defeated, are hard at work.

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I find some of the charges against the intelligence ~~community~~ community particularly upsetting. You have heard a lot about "intelligence failures." You have been told that the American taxpayer is not getting his money's worth for his intelligence buck. You have been told that American intelligence cannot warn of imminent attack.

That just plain isn't true.

America has good intelligence. America is safe from sneak attack. And the intelligence record is studded with successes. It was American intelligence that spotted the Soviet nuclear missiles being delivered to Cuba in 1962; American intelligence gave seven years warning on the development of the Moscow anti-ballistic missile systems; we knew the status and design of two Soviet aircraft carriers well before the first one put to sea. In the past two years alone, we've learned enough about Communist military weapons to save an estimated half a billion dollars in U.S. military programs. The more specific our knowledge, you see, the less we need to spend to cover a range of uncertainties.

In addition to these successes related to military developments, we successfully monitor and predict trends in oil prices, the flow of petrodollars, world crop prospects -- subjects that affect your wallet and mine. We warned last year of the imminent danger of war between two nations both friendly to the United States, and quiet diplomacy kept the war from breaking out. That's not a

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story you read in the papers.

And it is the effective state of our intelligence information that permits us to monitor Soviet compliance with terms of the Strategic Arms Limitation Agreements. (SALT) Intelligence is, thus, a peace-keeping function. And, speaking of peace-keeping, our knowledge of some of the plans of international terrorist organizations has permitted actions to be taken to prevent some of those terrorists operations. You hear only about those that are carried out.

Our mission is to see that our leaders know what is happening in the world beyond our borders and about the forces and factors at work there. And we must alert our leaders to what may happen tomorrow. This combination of informing and alerting is what intelligence is really all about.

Ladies and gentlemen, I admit my biases but I think we do it well.

Our country faces tough problems around the world -- overpopulation and underproduction; growing gaps and rising tensions between the have and have-not nations; nuclear proliferation; international terrorism; the international narcotics trade; the tensions between nations that will result from races to exploit hitherto inaccessible riches in the seas. And we've got to have a systematic knowledge of these complex subjects and an understanding of the intentions of other nations. To do our job well we must have the understanding and support of the American people. We are -- all

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of us -- committed to the same goal; making sure that America in the Tricentennial continues to be free, democratic, and dedicated to preserving the peace. at

We have every confidence this will be so. We will certainly do our share.

Let me conclude with the words of an ancient wiseman -- General Sun Tzu, who was a supreme military strategist in China long before Christ was born.

Sun Tzu wrote:

"For to win 100 victories in 100 battles is not the acme of skill. To find security without fighting is the acme of skill."

"And therefore the unit that in advancing does not seek mere fame, and in withdrawing is not concerned with avoiding blame, but whose only purpose is to protect the people and promote the best interests of the country, is the precious jewel of the State."

May the Central Intelligence Agency so conduct itself as to be just ^{such} a jewel of the state.

Thank you for allowing me to be with you tonight.

Q The news media often times - they make allegations that are not founded in fact but it doesn't seem to me as if the CIA comes out and answers them. My question is this. Why doesn't the CIA at least deny these allegations? It seems to say nothing, it just leaves that question mark in the minds of other people.

A Thank you. It's a good question. Shall I repeat that question? The question is I had made reference to the fact that many of the press (I shouldn't centralize on the press) but many of the ~~press~~ popular allegations about the Agency and abuses, aberrations, whatever you want to call them are never answered by the CIA. The allegations are sort of left to stand there by themselves and shouldn't the Agency do more to cope with them, to put them in their proper context? I don't know a single question that gives us more pain and more soul-searching than that one, and when one sees a story that one knows is a whole cloth or terribly exaggerated, that's the first thing one wants to do. ~~Go out~~ and blast it with a revelation of the facts. The problem is that when you reveal the facts to quash the story, you are in effect putting out the very essence of intelligence sources and methods which I described as our fundamental dilemma. We must protect them. You can't just broadcast your secrets in a self-serving way to protect the Agency. It's a very difficult dilemma for us but we learn to live with it. We try to ride with the punches and we hope that, frankly,

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readers such as yourselves will soon lose enough interest in it that it suddenly becomes a subject that is no longer quite so sensational. But I ask you also to consider this: if we were to use some portion of the facts or a generalized statement about the true facts in order to quash the story when it was false, or slanted, that might be acceptable but take a look at an occasion when a story might be straight, true, and you make no comment. You in effect are in a position of confirming fully that story and the confirmation of the story becomes in itself revelation of intelligence sources and methods, the things the law tells us we should not do. And so, I repeat, it's difficult for us; we're not trying to keep you people in the dark by refusing to comment on some of these allegations; we simply must protect our sources and methods and we must protect one other thing that gets beyond sources and methods. Many of the stories have to ^{do} deal with foreign countries. Many foreign countries help us in our quest for information. They do so secretly with us and if a foreign government sees us confirming, providing factual data to the public media about secret intelligence relationships between us and those foreign countries, they'll ~~be~~ bow out of that in a hurry. And we'd have a very grave time getting our job done. Does that help you, Mr. Aspinall ?

Q ^{hear}
3. You often ~~the~~ term, covert action, in regards to CIA
Can you tell us about the meaning of this term?

A Yes, covert action is a kind of a buzz word, a jargon.
Let me first of all contrast it with another piece of buzz
word or jargon we use. We talk about clandestine activities.
We make a distinction between clandestine activities and
covert action. Clandestine activities are those which are
intended to be carried out with total secrecy as in the
case of stealing secrets from a foreign government, espionage.
You don't want that ever to be revealed because you don't
want that government to realize that its secrets are gone.
You want to keep that totally clandestine. Covert action
is where a government resorts to political action, military
action, sometimes in a way which is designed to cover the
official hand of the government. You can't keep it
secret because you know that there's a paramilitary action
being fought or you know that there's ^a ~~the~~ political ~~action~~
election battle being fought in some foreign country.
You know that that's being contested and fought so that
the actions there ~~are~~ ^{unintelligible} but you try to keep the official
government hand out of the action. Covert action is an area
that many politicians, ~~many~~ many people in Congress and many
solid citizens on the American scene have great difficulty
with. As a matter of ~~fact~~ conscience. They see it as
intervention in the affairs of other governments. Very
often the consequences which get beyond the original
calculations ^{and} which ~~dis~~
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a commitment of sorts. We in CIA are the agency of government which must maintain the capability for covert action. We are the vehicle and it is only when the President and his advisers believe that covert action should be resorted to that we are called in to play. We are not unilateral; we are not rogue elephants; we do not use our capability for covert action unless we are tasked to do that by higher authority. If the world were made out of chocolate syrup and vanilla ice cream you would solve international problems exclusively through diplomacy, and Ambassadors would call upon Prime Ministers and work out their problems and get a resolution and everything would be fine. And that is something that is done day in and day out, every day of the week by your representatives in the State Department. On the other end of the spectrum, in relations between governments, you have war, hostilities between governments. Covert action really represents a kind of middle in the spectrum between merely a diplomatic note delivered by an Ambassador who is protesting and going into war and sending in the marines on the other extreme. You'd like to be able to maintain some capability for influencing and affecting those foreign events but an Ambassador can't do it, and when you don't want to go to war to accomplish it. Partly because in our system, covert action in a significant way abroad is almost impossible to keep secret and partly because of this concern of conscience that I mentioned earlier, we resort less and less to it. In the height of the Cold War

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in 1952, 1953, 1954 when we all felt much ~~a~~ closer to the possible imminence of war and Europe was still rebuilding and the Chinese were so belligerent in the Far East, over 50% of the CIA budget was spent ~~on~~ *IN* *on* covert action. Right now today, less than 2% of our annual budget goes to covert action. So that the effects of what I'm talking about had their impact on the government's decision to use covert action. It will be used only in situations where the consequences are very, very closely calculated. I think this is not only a trend now but it's a trend of the future. In the old days in the 1950's and 1960's, when the President or his advisers decided ~~that~~ to use covert action, we developed some machinery which was called in our lexicon "plausible deniability". The idea was you constructed your plan in such a way that the President could never be held responsible for it because if the President were held responsible for it, and it came out, a foreign government might have to take very strong action in response to that. I'll give you an example. In the U-2 incident in 1960 when Eisenhower was President and Gary Powers was shot down over the Soviet Union, Khrushchev and the Soviets never in the world expected Eisenhower to admit that he had a hand in that operation. But because of the complexity of the situation, Eisenhower said not only was ~~he~~ that plane

over the Soviet Union but he, Eisenhower, as a matter of policy had approved it. That forced ~~Krk~~ Khrushchev to react and while Khrushchev didn't go to war, he wrecked the Summit Meeting in Paris as many of you may recall. So ~~re~~ for reasons of that kind, plausible deniability was always built into covert action. Now that is impossible. A President must be accountable. He must make a finding that a covert action is required. He must sign that finding and seven committees of Congress have to be informed. Now I don't know how in the world you can keep, without impugning my good friend to my left here - you should be on my right - I really don't know how you can keep covert action secret and that's another reason why its incidence is fallen off. I think I went on to too great a length on that answer but it's a very fair question.

Q Do you think that there will be a great willingness on the part of the American people to reopen the Kennedy assassination? Does the CIA know anything that we don't know?

A The question which I gather from the reaction almost everybody heard was there seems to be a great interest in reopening the Kennedy assassination case. Does the CIA know anything that we don't know? And are we apt to hear anything more? The reopening of the Kennedy assassination history is accompanied as you know by reopening of the Martin Luther King assassination as well, and a special Select

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Committee of the House has been formed to deal with that. It's hired one of the foremost investigative lawyers in the country to be the staff chief. I have met and talked with him; we've developed some ground rules for their inquiry because no doubt they will be looking deeply into our own holdings and our own history in this area. As you know we had, because it's our responsibility abroad, we have no responsibility for law enforcement or for counter-intelligence work in this country but we do have responsibility for counter-intelligence abroad and we had Lee Harvey Oswald under surveillance in Mexico City shortly before the assassination when he was in contact with the Cuban Embassy. And there are those who have constructed the theory that because there were apparently some plans afoot to plot the assassination of Castro at about the same time, that Castro may well in retaliation have carried out a plot using Oswald to get Kennedy. That's all surmise and conjecture as far as I know but I really can't comment in detail as a professional of the place and one who sat at reasonably top levels even so long ago as 1963. I can't imagine Agency involvement ~~xx~~ in either one of those events and I believe that we ~~xxx~~ ^{will be} so vindicated when the survey is complete. But it would be improper for me in view of the fact that that is a subject the Select Committee of the House is investigating

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would be improper for me to reach a conclusion, and I don't

intend to. I do pledge to you that this Agency will cooperate to the fullest extent possible with Mr. Sprague and with the House Select Committee I think it is in the interest of the entire American public that this thing come to a head once and for all. I have personal doubts ~~as~~ as to whether either story will ever be fully resolved to the satisfaction of most people who are fond of believing that conspiracies surround every event that takes place on American soil. I don't know whether that's entirely responsive but we're working as closely as we can with that inquiry.

~~Yes~~ sir,

Q Mr. Knoche, as you know, your son and I, your son John and I, have associated together in ^{so called} ethical ~~drug testing~~ ^(X) Incidentally, John is doing an outstanding job. (laughter)

A (Mr. Knoche; I appreciate that he is doing a good job, but is he ethical? laughter)

Q What I would like to know what ^{led} ~~led~~ the CIA to experiment with such mind bending stuff as LSD?

A Mr. Knoche: The question is what ^{led} ~~led~~ the CIA to experiment with such mind bending drugs as LSD. Well, speaking personally and I know for the institutions, ^{as well} I wish to hell I never heard of it. But, I can give you some flavor of the times; this went back to the early fifties. When Korea was very much front and center, you remember a ~~lot~~ good many of our prisoners came back from Korea having been brain[^] washed and there was great concern over the new techniques that the

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Looking back on it, we were much more panicky than we needed to be, but operationally in CIA also, we had very good evidence of Soviet use of some exotic ingredients and materials in dealing with intelligence people and we were convinced that it was, there was a feeling at the time that we, I shouldn't say we because I wasn't that close to it at the time, but there was a feeling that in order to defend American personnel, particularly ^{intelligence} military personnel from aggressive Communist efforts to ^{capture} ~~capture~~ American intelligence ~~military~~ personnel or get their secrets from them by controlling them chemically or through drugs or one thing or another, that this was an area ^{badly} ~~badly~~ in need of research. At the time ~~some~~ LSD existed in ^{very} very small quantities and ^{early} all of it for a short period in the '50's was produced exclusively by a small plant in Switzerland and there was thought given by the Agency to making a preempted ~~by~~ buy of the whole world's supply of LSD and throwing it in the bottom of the ocean somewhere, but it wasn't considered ^{It was thought} feasible. ^{if one plant could turn it out others would} and that ^{was the} better course of action, ^{I think most of} us would agree, it would have been an ^{operation} ~~operation~~, and experiment with it. You couldn't write text books about the effects of LSD without using it on people. And so a group of scientists, some of them CIA people, some of them US army people, got together to spend a weekend together with a small supply of LSD and some ^{Cointreau} Cointreau, at least their liquor taste was good, and they fed each other LSD and ^{Cointreau} Cointreau and one of the

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individuals, most of them survived it, though they all went through the agonies of the damned, but one of the individuals suffered ^{so deep a} mental depression as a result of this thing that within a short ^{period of} time, killed himself by jumping out a hotel window in New York. This was well publicized by the Church Committee; I'm not revealing any secrets ^{when I tell} by telling you that, and I'm making no appology for it either. It is a sorry chapter in history when you look back on it using the values of the vantage point of 1977; what I was ^{trying to} telling you is, ~~not~~ ^{this} that ~~let~~ ^{let} them to do what people seem to be thinking in the early fifties. ~~Yes Sir;~~

Q. What importance does ~~the United States~~ ^{America} put on intelligence

unintelligible, how much is spent on intelligence?

A. That's a very tough thing to be very specific about because all intelligence budgets are cloaked even including the American intelligence budget which is ^{really} fit within the Defense Department budget. The traditional conventional wisdom is that if you can see the total cost in organization of an intelligence effort, ^{then begin to} you can plot counter intelligence designed to thwart it, ^{to stymie} ~~stymie~~ so on. ~~It is always,~~ ^{very carefully} the cost of intelligence is always cloaked in every government I know of. ~~the~~ But ~~the~~ our estimates would put the Soviets a good deal ahead of us in total expenditures for intelligence purposes and they use far more people abroad for intelligence purposes than we do, in other words their stations, equivalent of our stations which we have abroad, are a heap larger, more extensive than ours. They have two large intelligence organizations, one is kind of an equivalent

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to CIA, called the KGB and the other is a military organization called the GRU and you will ^{usually} ~~really~~ find the presence of both intelligence services in every country where the Soviets have diplomatic representation. Their presence here in this country is sizable not only in Washington, but particularly in New York the UN and in consulates across the country. ^{There is} ~~There~~ is a very large Soviet intelligence presence in Ottawa and in Mexico City as well. This is an area which presents great problems to counter intelligence and I might say here in case you are in any doubt, the FBI is responsible for counter intelligence domestically within this country. We are responsible for following intelligence threats, counter intelligence ~~abroad~~ abroad. And if the Soviet ^{intelligence} operative that we are watching carefully in a place like Bern, Switzerland, ~~and~~ suddenly gets transferred to New York to do his thing, the responsibility for watching that Soviet transfers from us to the FBI, and to do this well and effectively and maintain some cognizance over the threat requires the closest kind of cooperation between the CIA and the FBI. But it also requires that we be very careful ^{to} ~~and~~ not step into each other's territory. And it is a tough job to do and in some cases the organizational break between the two agencies harms the classic counter intelligence pursuit of the threat. But I would live with that risk myself because I think that fundamentally ~~that~~ this country cannot afford to have an intelligence service ^{which} ~~that~~ that has an internal responsibility (as well as an external responsibility.) ^{THE} ~~Because~~ ^{gestapo}, there lies too much power. So the separation of power between CIA and FBI is the American response, I think the challenge to the Congress and us is to improve the relationship between

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the Agency, but not to invest too much power in any one.

You have been a awful kind to us tonight, you've been patient, is there a question?

Q. How were the Japanese able to sneak up on ~~the~~ Pearl Harbor. the way they did?

A. The question is how did the Japanese sneak up on Pearl Harbor the way they did? I think the interesting thing in the histories I've read of Pearl Harbor is that the Japanese fleet which attacked Pearl Harbor was given what amounts to optional orders. That admiral was told to attack Pearl Harbor only if he were undetected. If he was detected x by American forces, aircraft ships, whatever, he was to sort of whistle a little bit and pretend he was being cool and turn around and go back home.

Q. Wasn't that plan developed prior to the actual attack by the Admiral ^{Yamamoto} ~~Monomoto~~ and also Emperor Hirohito.

A. I'm very sorry, but my memory of this begins to fade a bit and I hate to act like an authority when I'm not, I'ts clear we were caught napping and I think ^{it goes to} ~~the ghost of~~ the thing I was saying in my address to you that it was easy to recognize in 1947 when CIA was ~~organized~~ formed that we had suffered by not putting all this information together in a common way. Some codes had been broken by the Navy that showed the Japanese intent but they were not shared ^{with} by the Army or the State Department and the President did not know about it. And there was information out in Hawaii, the radar ^{so on that} ~~and it~~ wasn't flashed into Washington ^{really} and the whole purpose in creating a centralized organization like CIA was designed to try to avoid that ^{kind of} ~~reputation~~ ^{reputation.}

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Q. Sunday morning after Saturday night.

M.r. Knoche: I hope you are in favor of Saturday nights (laughter)

THank you very much, it has been great to be with you.